not *our* country. We are told often enough that we are not the nation. (Though nowadays the lords say that we are the nation also.)

No, we know all about wars. Take, for instance, these frontier incidents with which our lords start their wars. Well, who guards the frontiers when our lords prepare for their wars? The lords? No, *we* do. We are called up. We are sore as hell because our families will hunger even more. It is true that in the army they give you very good food and a lot of it. You eat three times a day; you get beans, as much bread as you want, soup and quite often meat. But our families suffer, we have to march a lot, the sergeants slap our faces, kick our behinds, the officers whip us. We don't like it.

You can imagine that when we are on frontier-guard duties we don't want any more difficulties. The officers tell us where our country ends and where the other begins. We must shoot at the neighbouring frontier guards if they cross the line, and they must shoot at us. So we don't cross it, except when the sergeants or officers are not about. Then we cross over, maybe, for perhaps the neighbours have more cigarettes and we have more meat. Then we swap. Or they want to shoot a hare. They lie on their stomachs and watch. A hare shows up. They smile in friendly fashion. We smile back. They understand that we won't raise a row if they shoot at the hare in our direction. Well, if they are good shots, we divide the hare afterwards. But sergeants and officers don't hear about it. Please don't think that we cause incidents.

So how do incidents happen? Do we get a longing to walk over the ground a hundred metres in front of our line? The ground is just as muddy over there as ours. Why should we?

No, it is obvious that the sergeants and the officers cause the incidents, when they get orders to do so.

Yes, we know all this, and still, when the war starts, we soon get mad, we soon really want to fight—for a time. Such a thing as that which happened to a stupid lad of the third *puszta* beyond ours is rare. He went to the front in 1914. He wrote a pink military postcard to his wife, saying that he had had the good fortune to arrive at the front of the war of our lords. The officers were very mad about it.

We get really angry if our lords tell us that some foreigners want us to talk their language. You understand, we have nothing save our Magyar language. It is a terrifying experience enough to talk to one of our lords, even though he talks the same—well, almost the same—as we do. What would happen if we had to

[* i.e. Hungarian peasants -- Analyst]

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By this time the Rumanians had rejected the British guarantee of assistance to defend their independence and both Rumanians and Hungarians were competing for Germany's favour. The Hungarian Government got the better bargain of the two but at the price of further subservience to Germany. They had to sign the Three Power Pact, which allied them formally with the Axis. At the same time Teleki carried his policy of reconciliation with Yugoslavia further, and the two countries signed a Pact of Eternal Friendship. But this action, the first genuine renunciation of revisionist claims which any Hungarian Government had made since the Trianon, proved in the end the most fatal of all.

COUNT TELEKI'S SUICIDE AND ITS SIGNIFICANCE. For both Italy and Germany had now dropped the idea of keeping South-Eastern Europe out of the war. Italy had invaded Greece; Hitler was making his plans for attacking Russia and wanted the Balkans under his control. For this purpose he began sending troops into Rumania and Bulgaria. The Hungarian Government allowed these troops to pass through Hungary, and although this was a glaring breach of neutrality, the British Government did not call Hungary openly to account for it. But Hitler then made the same demand of Yugoslavia. The Yugoslav Government in Power—that with which Hungary had signed her Part of Friendship—agreed; but there was a revolt. A new Yugoslav Government came into Power, rejected the Germans' demands and prepared to fight, if necessary.

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Hitler now prepared to invade Yugoslavia through Hungary, and called upon the Government in Budapest to give him facilities. Rewards were certainly promised for obedience, penalties for refusal. On 3 April 1941, when the German demands came before the Hungarian Government, the Prime Minister, Paul Teleki, although a devout Catholic, took his own life rather than commit so dishonourable an act; but the Regent did not follow his example and found a successor Bárdossy, to cover the shameful policy. Hungary not only let the German troops attack from her territory, but herself joined in the attack, being rewarded with part, although not all, of what she had lost to Yugoslavia through the Trianon Treaty (the Bačka, Baranya and two small areas in the west; the Yugoslav Banat was left to Serbia).

THE RUSSIAN 'CRUSADE'. In consequence of this, Britain broke off diplomatic relations with Hungary. Under Bárdossy's leadership, the Government was now completely subservient to Germany, and the final consequence of this was seen in June of the same year, when Hitler attacked Russia. Hungary had probably intended to remain neutral, but again pressure was brought to bear, again the Government's hand was forced, and again Bárdossy followed the suicidal policy to which he was committed, and Hungary embarked on the most fatal of all her adventures. In December, the British Empire and the U.S.A. declared war on Hungary. Although Hungary was now hopelessly committed to Germany and although the idea of a 'crusade against Bolshevism'

THE OIL INDUSTRY IN THE HUNGARIAN ECONOMY

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473 duction was thus available for the armed forces or for export to Germany.

A new operating company, the Hungarian-American Oil Company (MAORT), a subsidiary of Eurogasco, obtained a forty-year concession soon after the Lispe discovery under the same arrangements as had been made with Eurogasco whereby the royalties to be paid to the government were fixed at 15 percent of the crude oil and 12 percent of the marketed natural gas production. MAORT achieved such successful results that in less than six years it became Hungary's third largest industrial enterprise and, considering the indirect effects, probably the largest single corporate contributor to the national income.

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652 During the late thirties the economic aspects of agriculture improved due to ever increasing agricultural exports to Germany under the Hungarian-German trade agreements, even though protection of industry remained the official policy of the government.

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131 In 1938 Hungary began to rearm. With Axis support parts of the territories lost in 1920 were recovered from Czechoslovakia in 1938 and 1939, from Romania in 1940, and from Yugoslavia in 1941. As a result, the country's area increased from 93,073 square kilometers in 1938 to 170,869 square kilometers in 1941 with a corresponding increase in population from less than 9 million to 14.6 million. In 1941 Hungary entered World War II on the German side.

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241 Rearmament, the recovery of about half of the pre-Trianon territory, and finally war gave a tremendous impetus to the economy. Industrial employment rose from 289,000 in 1938 to 392,000 in 1943 (excluding the recovered areas), and, for the first time, the value of the industrial output surpassed the value of agricultural production.

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185 Government controls gradually increased. The allocation of raw materials and the rationing of food and gasoline were introduced, and for the first time in Hungarian history the government embarked on large-scale economic planning.